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Appendix 1: IDIS – C04PR26, CDBG Financial Summary for Program Year 2002

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I. INTRODUCTION

The primary objective of the Community Development Block Grant (CDBG) Program is to improve communities by providing decent housing, a suitable living environment and expanding economic opportunities. CDBG funds are used for such activities as rehabilitation of residential single family dwellings, providing public facilities and improvements, and funding social service agencies. Each CDBG funded activity must be eligible under Program Regulations and must meet one of the Program's three national objectives; benefit low and moderate income persons, aid in the prevention or elimination of slums and blight, or meet an urgent need which threatens the health or welfare of the community.

To ensure that funds are spent effectively and appropriately, the U.S. Department of Housing and Urban Development (HUD) requires jurisdictions to annually submit an Action Plan. The Action Plan describes the strategies and goals with which the jurisdiction intends to meet the national objectives using federal funds. The Action Plan is approved prior to HUD releasing funds to the jurisdiction.

At the end of the fiscal year, the jurisdiction must submit a Consolidated Annual Performance and Evaluation Report (CAPER) to HUD. The CAPER provides jurisdictions with the opportunity to evaluate its progress in meeting its priorities and specific objectives that were identified in the Action Plan. The CAPER describes the jurisdiction's accomplishments and an assessment of activities taken during the funding year.

In addition, information on the CDBG activities is entered into HUD's Integrated Disbursement and Information System (IDIS). The jurisdiction, together with HUD, uses this electronic system to simplify the grant management process. It not only streamlines the fund disbursement process, but it allows HUD to review the performance of the jurisdiction.

Through this report and reports obtained from IDIS, the U.S. Department of Housing and Urban Development, HUD, is able to assess how effectively jurisdictions have met the three national objectives.

The City of Tempe's CAPER has been prepared in accordance with applicable statutes and regulations of the Community Development Block Grant Program. All activities reported in the CAPER are in compliance with the national objectives. The CAPER was advertised and made available for public review and comment.

Assessment of Five Year Goals and Objectives

The City of Tempe, as a member of the Maricopa HOME Consortium, has completed a five year Consolidated Plan (FY2000-FY2004) identifying strategies to improve the community through the use of federal and non-federal funds. The City's strategies for completing identified activities and objectives have been outlined in the City's Consolidated Plan.

Funding for priority public services has remained a priority for the City. These priorities have included affordable and fair housing activities, services recommended for funding by the Tempe Community Council, services for disabled/handicapped persons, youth services and services concerning substance abuse. The total number of persons served for public services in this reporting period was 1,482, or 1,016 households and 7 properties. The accomplishments for each priority need designated in the Consolidated Plan can be seen in Section III, "Assessment of Five-Year Goals and Objectives."

Numerous affordable housing projects were completed in this fiscal year. A detailed accounting of these projects can be seen in Section VII, "Progress in Providing Affordable Housing. Additionally, homeless activities have been outlined in Section X "Continuum of Care."

The City provided funds to assist with the payment of the Improvement District assessments for the construction of sidewalks throughout the East Rio low/moderate income neighborhood. This activity was funded for \$380,000 and assisted a total of 300 residents within the area.

II. RESOURCES

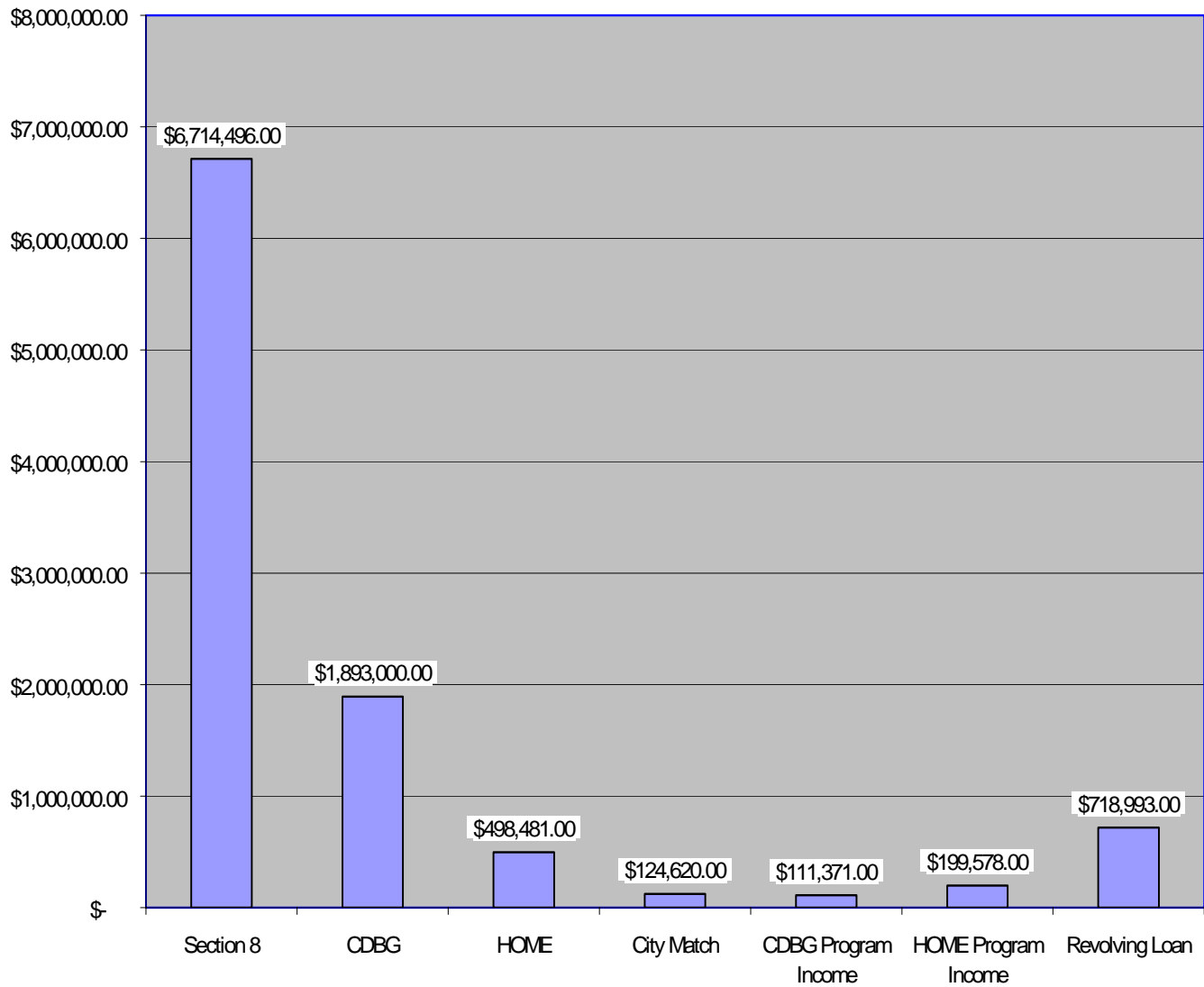
In Fiscal Year 2002/2003, the City of Tempe received \$1,893,000 in CDBG funds. In addition, the City received \$498,481 in HOME funding from Maricopa County, as a participant in the Maricopa County Consortium. The City of Tempe provided a required 25% match to the HOME funds in the amount of \$124,620.

Program income of \$310,949 was received during the year, with \$111,371 credited to the CDBG program and \$199,578 credited to the HOME Program. Program income was received from loan payments under our Housing Improvement Program. In addition, \$718,993 was received and credited to the revolving loan fund for property acquisition.

The Integrated Disbursement and Information System (IDIS) CDBG Financial Summary is included in this report to provide a status of the CDBG grant activity for the program year. Also included is the IDIS Activity Summary, providing detailed information for each CDBG project.

In addition to the resources noted above, the City received \$6,714,496 in federal funding for the Section 8 Tenant-Based Housing Assistance Program. The City also contributed \$89,094 in city funding for affordable housing programs.

Further details regarding the accomplishments and goals listed below are on the following pages.



III. ASSESSMENT OF FIVE YEAR GOALS AND OBJECTIVES

The City’s Action Plan for the Fiscal Year 2002/2003 identified strategies to improve our community through the use of federal and non-federal funds. The City’s strategies covering the five years from FY2000 through FY2004 are identified in the City’s Consolidated Plan.

The following chart identifies the priorities and lists the activities the City has undertaken, since FY2000, to meet these objectives

| CON. PLAN PRIORITIES 2000-2004 | ACTIVITIES FY 2002-2003 | CONSOLIDATED PLAN 2000-2004 FIVE YEAR GOAL | FIVE YEAR CUMULATIVE ACCOMPLISHMENTS FY 2000-2004 | ACCOMPLISHMENTS FY 2002-2003 | SOURCE OF FUNDS | FUNDS COMMITTED FY 2002-2003 | FUNDS EXPENDED FY 2002-2003 |
|--------------------------------|--|--|---|---|---|---|---|
| Affordable Housing*** | Housing Rehabilitation-HIP Housing Rehabilitation-HIP Housing Rehabilitation-HIP Housing Rehabilitation Home Exterior Landscape Program-HELP Section 8 Tenant-Based Assistance Newtown CDC-First-Time Homebuyer Community Assisted Mortgage Program. Community Assisted Mortgage Program Fair Housing | 250 households 250 households included in above goals 125 households 1030 avg. households 6 households 60 households Not budgeted | 92 households 265 households 26 households Matching funds; HOME 58 households 904 avg. households leased/month 3 Acquisitions 55 households N/A | 22 households 24 households 3 households Matching funds; HOME 19 households 904 avg. households leased/month 2 Acquisitions 4 households 13 households N/A | CDBG HOME City Funds City Funds CDBG Section 8 CDBG City Funds HOME CDBG | \$ 455,450 498,481 30,653 124,620 50,000 6,714,496 250,000 58,441 4,000 | \$ 322,100 350,532 30,653 86,409 39,206 6,619,614 18,618 58,441 198,363 10,851 |
| Homeless Services | La Mesita/PREHAB Homeward Bound Save the Family Tempe Community Action Agency Mesa Community Action Network Central Arizona Shelter Services | 405 households 1750 persons The City will continue to support public service Agencies serving the Homeless | 58 households, 101 persons 13 households, 53 persons 20 households, 60 persons 506 persons 574 persons | 45 persons 134 persons 222 persons 588 persons | CDBG CDBG CDBG CDBG | \$ 27,178 6,477 20,000 65,000 | \$ 27,178 6,477 20,000 65,000 |
| Domestic Violence | Sojourner Center YWCA Haven House East Valley Catholic Social Services Chrysalis Shelter | 288 households 420 persons The City will continue to support public service Agencies serving victims of Domestic Violence | 9 households/112 persons 3 households, 3 persons 12 households, 31 persons 100 persons | 29 persons 2 persons 17 persons 44 persons | CDBG CDBG CDBG CDBG | \$ 19,000 4,500 5,500 7,000 | \$ 19,000 4,500 5,500 7,000 |
| Youth Services | TCC-Communities In Schools | 12,500 persons | 7,058 persons | | | | |
| Disabled/ Handicapped Services | Advocates for the Disabled** Arizona Bridge to Independent Living ABIL Home Modifications | 500 persons | 377 persons | 74 persons 20 households | CDBG CDBG CDBG | \$ 25,000 10,000 46,125 | \$ 25,000 10,000 36,756 |
| Substance Abuse Services | East Valley Addiction Council | 2000 persons | 695 persons | 239 persons | CDBG | \$ 41,250 | \$ 41,250 |
| Supportive Services | Family Self-Sufficiency Program | 60 households | 145 persons (20 program graduates) | 88 persons (7 program graduates) | CDBG | \$ 53,045 | \$ 53,045 |
| Non-Housing Activities | Apache Blvd. Property Relocation Apache Blvd. Property Acquisition Apache Blvd. Property Demolition Sidewalks– East Rio | 30 households 8 properties 12 properties | 15 households 5 properties 4 properties East Rio | 7 households 4 properties 1 properties East Rio | CDBG CDBG/CITY CDBG/CITY | \$ 75,000 450,000 50,000 prior year CDBG | \$ 44,295 450,000 28,415 380,000 |
| TOTALS | | 2,504 households 17,170 persons 16 properties | 1,278 households 8,921 persons 1 properties | 1,016 households 1,482 persons 7 properties | | \$ 9,091,216 | \$ 8,958,203 |

*includes other affordable housing activities.
 **includes supportive services for individuals with HIV/AIDS.
 ***Corresponding numerical information for affordable housing projects can be found in Section, VII "Progress in Providing Affordable Housing".

Following is a brief summary of the specific accomplishments by the City in meeting our priorities.

As indicated in our Consolidated Plan (2000-2004), the City's long-term objectives over the five years are to continue to fund priority public services. Our priorities included affordable housing activities, fair housing activities, services recommended for funding by the Tempe Community Council, services for disabled/handicapped persons, youth services and services concerning substance abuse.

The following chart provides the funding commitment made by the City for the past five years and for the first year of our five-year Consolidated Plan period:

| Objectives | Funds Expended 1995-2000 | Funds Expended 2001-2003 |
|---|-------------------------------------|-------------------------------------|
| Affordable Housing; First-time homebuyers | 571,885 | 737,706 |
| Affordable Housing; Section 8 Rental Assistance | 26,294,924 | 12,798,687 |
| Affordable Housing; home rehabilitation | 3,883,758 | 1,604,942 |
| Fair Housing | 6,472 | 15,088 |
| Homeless Services | 823,781 | 216,555 |
| Domestic violence services | 109,650 | 71,000 |
| Youth Services | 383,224 | 55,000 |
| Disabled/Handicapped services | 230,011 | 82,345 |
| Substance abuse services | 232,702 | 82,500 |
| Supportive Services | 201,422 | 104,545 |
| Relocation | 283,391 | 75,000 |
| Land acquisition/demolition; removal of slum & blight | 1,665,276 | 730,915 |
| Child care | 49,550 | 0 |
| Historical Preservation | 300,452 | 0 |
| Street improvements | 554,644 | 0 |
| Sidewalks | 466,007 | 380,000 |
| Food Bank | 5,000 | 0 |
| Legal Services for low/mod income | \$13,000 | 0 |

| | | |
|-------------------|--------|-------|
| Household Served* | 10,242 | 1,278 |
| Persons Served * | 50,887 | 8,921 |

*approximate numbers

IV. PUBLIC SERVICES §570.201(e):

In Fiscal Year 2002/2003, the City provided CDBG assistance to twelve public service agencies. Activities funded included the following:

❖ IDIS Activity 188 - Advocates for the Disabled

This conforms to the priority needs of the 2000-2004 Consolidated Plan.

Advocates for the Disabled, Inc. is committed to helping persons with disabilities by: establishing the eligibility of individuals seeking government disability benefits, managing disability benefits, educating the public about the process for obtaining and using the disability benefits system and encouraging support of governmental benefits for persons with disabilities.

Advocates for the Disabled, Inc. expended \$25,000 in CDBG funds and served 74 persons. This activity is completed.

❖ IDIS Activity 189 - Arizona Bridge to Independent Living

This activity conforms to the priority needs of the 2000-2004 Consolidated Plan.

ABIL provides home modifications for low to moderate-income residents with significant disabilities to improve home access and safety, and to increase the overall number of accessible units available in Tempe.

ABIL expended \$10,000 in CDBG funds and assisted 20 households. This activity is complete.

❖ IDIS Activity 190 – Central Arizona Shelter Services

This activity conforms to the priority needs of the 2000-2004 Consolidated Plan.

CASS provides shelter and supportive services by helping homeless people attain their highest level of self-sufficiency.

CASS expended \$65,000 in CDBG funds and served 588 persons. This activity is complete.

❖ IDIS Activity 191– Chrysalis Shelter

This activity conforms to the priority needs of the 2000-2004 Consolidated Plan.

Chrysalis Shelter programs are all designed to assist individuals and families break an intergenerational cycle of domestic violence through prevention and education. Services include case management, housing, education, GED Preparation, childcare, parenting information and financial counseling.

Chrysalis Shelter received \$7,000 from CDBG funds and served 44 persons. This activity is completed.

❖

IDIS Activity 192- East Valley Catholic Social Services

This activity conforms to the priority needs of the 2000-2004 Consolidated Plan.

East Valley Catholic Social Services (EVCSS) directs support services to women and children after they move out of a domestic violence shelter to help them obtain and keep affordable housing and other community services so they do not return to a violent home environment. Through My Sister's Place Domestic Violence Shelter, women and their minor children were provided with shelter, meals, personal care items, counseling and crisis intervention.

EVCSS received \$5,500 in CDBG funds and served 17 persons. This activity is completed.

❖ IDIS Activity 193 - Eastern Valley Addiction Council

This activity conforms to the priority needs of the 2000-2004 Consolidated Plan.

East Valley Addition Council (EVAC) is 16-bed Medical Detoxification Unit that provides medical intervention and treatment to prevent life-threatening complications resulting from alcohol and drug overdose and/or withdrawal. The services are provided to homeless, indigent, working poor men and women from Tempe who are between the ages of 18-65.

EVAC received \$41,250 from CDBG funds and served 239 persons. This activity is completed.

❖ IDIS Activity 194- Family Self-Sufficiency Program

This activity conforms to the priority needs of the 2000-2004 Consolidated Plan.

The Family Self-Sufficiency Program, FSS, administered by the City of Tempe Housing Authority, coordinates the use of Section 8 housing assistance with public and private resources to enable eligible families achieve economic independence and self-sufficiency. Funding provides case management to participants.

The FSS Program received \$53,045 from CDBG funds and served 88 persons. This activity is completed.

❖ IDIS Activity 195 - Mesa Community Action Network

This activity conforms to the priority needs of the 2000-2004 Consolidated Plan.

Mesa Community Action Network (Mesa CAN) helps impact the quality of life needs of the economically disadvantaged families and individuals of the East Valley.

Mesa Can reinforces customer self-respect, responsibility and self-determination. Their mission includes heightening community awareness and understanding of quality of life issues, while cultivating community involvement through sharing of financial, material and volunteer resources.

Mesa CAN received \$20,000 from CDBG funds and served 222 persons. This activity is completed.

❖ IDIS Activity 196 - Save the Family

This activity conforms to the priority needs of the 2000-2004 Consolidated Plan.

Save the Family provides transitional housing, case management and supportive services to homeless families with children in Maricopa County to help them achieve self-sufficiency and emotional stability.

Save the Family received \$27,178 from CDBG funds and served 45 persons. This activity is completed.

❖ IDIS Activity 197 - Sojourner Center

This activity conforms to the priority needs of the 2000-2004 Consolidated Plan.

Sojourner Center provides: a safe haven from domestic violence, services for families made homeless by their escape, including shelter, a continuum of services, prevention programs, community education and victim advocacy.

Sojourner Center received \$19,000 from CDBG funds and served 229 persons. This activity is completed.

❖ IDIS Activity 198 - Tempe Community Action Agency

This conforms to the priority needs of the 2000-2004 Consolidated Plan.

Tempe Community Action Agency, TCAA, provides Homeless Prevention/Intervention programs and Home Delivered Meals. TCAA assists Tempe families in avoiding eviction or assists them in moving into housing through payment of partial rent/deposit and case management.

TCAA received \$6,477 from CDBG funds and served 144 persons. This activity is completed.

❖ IDIS Activity 199 - YWCA Haven House

This activity conforms to the priority needs of the 2000-2004 Consolidated Plan.

YWCA Haven House was established in 1912 to promote personal advancement and the social and economic development of women and their families. The Haven House also provides a place of refuge for women, children, the hungry, homeless, and the elderly in Maricopa County.

YWCA Haven House received \$4,500 from CDBG funds and served 2 households. This activity is completed.

V. PUBLIC SERVICE SUMMARY

As reported on IDIS CDBG Financial Summary, the City obligated 13.62% for public service activities. The number of low/mod people and households assisted through these public services activities are provided on page 3 and within the attached IDIS reports. In addition, charts are included in this report to provide information on the number of persons/households served by race and ethnicity.

As indicated in the descriptions of public service activities funded, the City is making progress in meeting our strategies for homeless prevention, supportive housing and self-sufficiency

In addition to the above public services, the following activities were funded to meet our objectives and conform to the priority needs of our 2000-2004 Consolidated Plan:

VI. OTHER ACTIVITIES

Note: Program Activity numbers are those assigned by IDIS and may not be in sequence.

❖ IDIS Activities 143,163,186 - Property Rehabilitation; Program Year 2000, 2001, 2002 §570.202:

The City provided property rehabilitation to low/moderate income homeowners under its citywide Rehabilitation Program. CDBG, HOME, City funding (includes City matching funds for HOME) were directed toward these rehabilitation activities.

Under the City's Rehabilitation Program, a homeowner is eligible to receive up to \$25,000 for the rehabilitation of their home. The homeowner must first be income eligible; up to 80% of median income for CDBG or HOME funding, 80%-120% for City funding. The homeowner is then placed in a loan eligible process to determine if the homeowner receives a low interest amortized loan or a deferred loan.

Homeowners receiving amortized loans will make monthly payments on the loan. Monthly payments are based on the homeowner's ability to pay. This loan is secured with a Deed of Trust and Note. Homeowners qualifying for deferred loans will receive an interest-free loan up to \$25,000. This loan is secured with a Deed of Trust and Note. Repayment of the loan is made at the time of sale or transfer of the property or, before, with no prepayment penalties. The deferred loans are targeted toward homeowners who do not have sufficient resources to service a loan to make necessary repairs to their owner-occupied homes.

Twenty-two (22) single-family, low/moderate incomes, owner-occupied housing units receiving rehabilitation assistance under the CDBG program were completed this fiscal year. This CDBG activity was funded at \$455,450. In addition, 24 housing units were completed using HOME and City match funding. Three (3) housing units were rehabilitated with City funds for a household in the 81-120% income limit. This activity is underway.

CDBG funding was also provided for home modifications for low to moderate-income persons with disabilities and seniors who own or rent houses. This funding was provided to improve home modifications, home accessibility and safety. In addition, this funding increased the overall number of accessible units available in Tempe. Arizona Bridge to Independent Living (ABIL), a non-profit agency, used \$36,756 to rehabilitate 20 housing units, for an average of \$1,838 per household. The maximum grant for homeowners was \$3,000 and \$2,500 for renters.

❖ IDIS Activity 152 – East Rio Neighborhood Sidewalk Construction; §570.201(c):

The City provided funds to assist with the payment of the Improvement District assessments for the construction of sidewalks throughout this low/mod neighborhood. This activity was funded for \$380,000. The project has been completed, serving 300 City residents.

❖ IDIS Activity 159 - NewTown; §570.201(a):

The City provided CDBG funds to NewTown, a Community Development Corporation, for the acquisition of affordable housing units for resale to low and moderate income households. The City's Family Self-Sufficiency Program participants have first right of refusal on the homes for purchase.

In the program year, NewTown acquired and sold two properties to a low/mod income family after the properties were rehabilitated. For both properties, the land was transferred to the Tempe Community Land Trust to keep the property classified as affordable housing stock to future homebuyers. Other funds used in these projects included \$135,253 from Bank One and NewTown

CDBG expenditures were \$18,618 in addition to expending prior year revolving loan funds of \$132,130 in this fiscal year. This activity is underway.

❖ IDIS Activity 162, 206 Home Exterior Landscape Program; §570.202:

CDBG funding is provided for the Home Exterior Landscape Program (HELP) administered by the City's Code Compliance Division of the Development Services Department. The HELP program provides a maximum \$2,000 grant to eligible low-mod income homeowners to correct city nuisance and property enhancement code violations.

This activity was funded at \$50,000 and expended \$39,206 serving 18 households. An additional \$2,326 was carried over and expended from fiscal year 2000.

❖ IDIS Activity 165; Apache Boulevard Relocation §570.201(i):

The City used CDBG and City funds for the relocation and counseling of Tempe residents living in the slum and blighted properties located in the Apache Boulevard Redevelopment area. Projected re-use of the acquired properties will be for the provision of housing in accordance with the Redevelopment Plan. This activity was funded at \$75,000. 8 households were served expending \$30,705 in 2001/2002 and \$44,295 was expended in 2002/2003 serving 7 households. This activity is underway.

❖ Program Activity 167 – Apache Boulevard Demolition §570.201(d):

The City used CDBG and City funds for the demolition and environmental clearance associated with the removal of slum and blighted properties in the Apache Boulevard Redevelopment area. Projected re-use of the acquired properties will be for the provision of housing in accordance with the Redevelopment Plan.

This activity was funded at \$50,000. Ongoing activities occurring in the 2002/2003 fiscal year included associated maintenance costs of the demolished property sites, (fencing, utility costs, etc). Expenditures in this program year for 4 residences were \$28,415. This activity is underway.

❖ IDIS Activity 168 - Property Acquisition - City Wide §570.201(a):

Funding for this activity was for the acquisition of slum and blighted properties in the City - other than Apache Boulevard. This activity was funded for \$65,000. These funds were re-programmed into an affordable housing development project.

❖ IDIS Activity 169; Property Demolition - City Wide §570.201(d):

Funding for this activity was for the demolition and environmental clearance of slum and blighted properties located in the City - other than Apache Boulevard. This activity was funded for \$10,000. These funds were re-programmed into an affordable housing project.

❖ IDIS Activity 170; Affordable Housing Program §570.201(n):

Funding for this activity was used to provide direct homeownership assistance to low or moderate income households meeting the first-time homebuyer requirements. This activity was funded for \$100,000. These funds were re-programmed into an affordable housing development project.

❖ IDIS Activity 187; Program Planning and Administration; §570.206:

Funding for this activity provides for payment of reasonable administrative costs related to the planning and execution of community development activities assisted in whole or in part with Community Development Block Grant funds.

This activity is subject to a 20% cap. This activity was funded at \$319,600. Expenditures obligated in the program year were \$318,426. This activity is completed for the program year. The unused balance was re-programmed to the rehabilitation program.

❖ IDIS Activity 201– Apache Boulevard Property Acquisition, §570.201(a):

The City used CDBG and City funds for the acquisition of slum and blighted properties in the Apache Boulevard Redevelopment area. Projected re-use of the acquired properties will be for the provision of housing in accordance with the Redevelopment Plan.

This activity was funded at \$225,000 in program year 2002/2003. Funds of \$225,000 were also re-programmed from IDIS activity number 202. 4 properties were acquired for a total of \$450,000. This activity is completed.

❖ IDIS Activity 203; Community Bridges Transitional Redevelopment Center

Community Bridges is building a new 24-unit transitional redevelopment center for women and children. This new facility will have the capacity to house a maximum of 32 women and children. Population served will be pregnant, post-partum, homeless women who are addressing issues of substance abuse or who also have co-occurring disorders. The center will be located at 560 S. Bellview, on property adjacent to the current property where EVAC provides services. The City has committed \$100,000 towards this collaborative community effort. This project is underway.

❖ IDIS Activity 204; Program Contingency; §570.206:

Funding for this activity is reserved to provide for project activity overrides. This activity was funded at \$59,000. No activity occurred in the program year. This funding was re-programmed to the Housing Improvement Program; property rehabilitation project.

❖ IDIS Activity 205; Relocation City Wide §570.201(i):

The City used \$72,743 for the relocation of 7 Tempe residents living in slum and blighted properties. Projected re-use of the properties will be for the provision of housing in accordance with the Redevelopment Plan. The activity was funded at \$75,000.

VII. PROGRESS IN PROVIDING AFFORDABLE HOUSING

In our Consolidated Plan, we identified the following strategies to use in providing affordable housing:

- Section 8 Housing Assistance Program
- Housing Improvement Program
- Community Assisted Mortgage Program
- Homeownership for Team Tempe
- Community Land Trust of Tempe
- Homebuyer Education
- Home Exterior Landscape Program (HELP)
- Acquisition & Rehabilitation
- Lead-based Paint
- Rental Reinvestment
- Partnerships
- Other Barriers to Affordable Housing Recognized

The following activities indicate the City's progress in addressing affordable housing:

Section 8: Through the efforts of the City's Section 8 Housing Choice Voucher program, from July 1, 2002 to October 31, 2002, applicants who claimed to be living in the City of Tempe, working or about to be hired in the City and elderly and disabled households were given priority preference points on the waiting list. Applicants who are enrolled in a welfare-to-work program also received priority points during these months. Effective November 1, 2002 due to the high volume of housing assistance needs for the city, the selection of families from the waiting list changed. Priority preference points were given to applicants who live in the City of Tempe and/or applicants, where the head, co-head, or spouse is employed, or have been hired to work in the City of Tempe. Applicants were selected from the waiting list based on the priority preference points and the sequence was based on date and time of application. Tenant-based housing assistance was provided through Section 8 Housing Choice Vouchers, which included 34 enhanced vouchers from a prepayment opt-out. Monthly averages of 904 households were assisted through the rental assistance program for the fiscal year.

Due to federal income targeting requirements, at least 75% of the families admitted to the Section 8 program meet the extremely low-income limits for Maricopa County, (30% of median). As of June 30, 2003, 80% of the programs new admissions receiving Section 8 Housing assistance have met this requirement of being at 30% of median income (extremely low income) for initial participation in the program.

| Activity | Renter Extremely Low Income 0-30% of MFI | Owner Extremely Low Income 0-30% of MFI | Renter Very Low Income 31-50% of MFI | Owner Very Low Income 31-50% of MFI | Renter Low /Mod Income 51-80% of MFI | Owner Low/Mod Income 51-80% of MFI | Owner Income 81-120% of MFI |
|---------------|---|--|---|--|---|---|--------------------------------------|
| Section 8 Hsg | 187 | 0 | 7 | 0 | 0 | 0 | 0 |

*Data is for new admissions for families falling into 0-30%, 31-50% and 51-80% income categories for initial participation to the Section 8 Housing program.

Housing Improvement Program: In Fiscal Year 2002/2003, the City continued to actively market the Housing Improvement Program. During this year, program information continued to be provided to neighborhood associations to distribute throughout their neighborhoods. Citywide marketing was completed by the distribution of program brochures, program flyers, television advertisement, citywide water bill advertising, and staff presentations. The same marketing strategies were used regardless of whether CDBG, HOME or city funding was involved.

Applications for the Housing Improvement Program are accepted on a citywide basis. Homeowners have the opportunity to complete applications by coming to the City's Housing Services Division office or by requesting a pre-application by mail. Bilingual staff was available to assist Spanish speaking homeowners in explaining the Program and whenever requested, accommodations for the disabled and/or elderly persons was available. Due to the expedient application process in place to serve the response of high volume of interest in the program, each application received was put into the eligibility process; ensuring emergency applications had priority to their request for rehabilitation.

In the Fiscal Year 2002/2003 Action Plan, it was anticipated that 55-75 rehabilitations would be completed during the reporting year. The City completed 49 rehabilitations with an additional 14 underway. Through CDBG funding, 22 rehabilitations were completed. An additional 24 homes were completed using HOME funding. Three rehabilitations were completed using City funds. As indicated in the chart below, 94% of the families receiving rehabilitation assistance from CDBG or HOME funding sources met the very low or lower income limits set for Maricopa County.

| Activity | Renter Extremely Low Income 0-30% of MFI | Owner Extremely Low Income 0-30% of MFI | Renter Very Low Income 31-50% of MFI | Owner Very Low Income 31-50% of MFI | Renter Low /Mod Income 51-80% of MFI | Owner Low/Mod Income 51-80% of MFI | Owner Income 81-120% of MFI |
|----------------|---|--|---|--|---|---|--------------------------------------|
| Rehabilitation | 0 | 11 | 0 | 14 | 0 | 20 | 1 |

Community Assisted Mortgage Program (CAMP): During the program year, the City continued the Community Assistance Mortgage Program (CAMP). This program provides deferred loans for down payments assistance. Up to \$17,500 is available to first-time homebuyers who purchase homes in areas north of Alameda Drive and up to \$15,000 is available for first-time homebuyers purchasing homes in the other parts of the City. The purchaser must contribute the minimum of the greater of either \$1,000 or 1% of the purchase price and must also secure a fixed rate mortgage at or below 10% of APR with points and fees not exceeding 8% of the mortgage amount. This program utilized HOME funding as well as City funds.

\$198,363 was used in HOME funds to assist 15 households become first-time homebuyers. \$58,441 was expended in City funds to assist 4 first time homebuyers. Other funds leveraged with the use of CAMP down payment assistance were \$1,311,275.

HOTT: Homeownership for Team Tempe, HOTT, is designed to encourage city employees who live outside the city limits or who currently rent their residences to purchase a home in Tempe while simultaneously assisting in the revitalization of neighborhood housing. HOTT provides forgivable loans to eligible full time employees. Forgivable loans can amount up to \$15,000. All properties must be within city designated neighborhood incentive areas. \$15,000 is available to employees purchasing vacant one unit rental properties for conversion to owner occupancy. Employees purchasing owner-occupied properties are eligible for \$10,000.

The City's investment is secured with a ten-year Deed of Trust or other approved and recorded lien instrument. The assistance is in the form of a zero percent, non-amortizing loan; as long as the property continues to be the

employee's primary residence, the loan is forgiven at the rate of 10% on the sixth anniversary, 25% on the seventh anniversary, 45% on the eighth anniversary, 70% on the ninth anniversary and 100% on the tenth anniversary.

This program is funded with City funds. In the program year, 3 employees received funding in the amount of \$35,000.

Community Land Trust of Tempe (CLTT): The Community Land Trust of Tempe, a private, non-profit corporation created to acquire and hold land for the benefit of the community to provide secure, affordable access to land and housing, has incorporated and will be activity pursuing partnerships. Current partners with the Community Land Trust include the City of Tempe, the Institute for Community Economics, NewTown, FannieMae, Neighborhood Housing Services of Phoenix, Tempe Community Council, Washington Mutual, Inc., and Arizona Title Agency. During FY 2002/2003 the land trust acquired two properties in partnership with NewTown.

Homebuyer Education: The City of Tempe currently contracts with Housing for Mesa and Neighborhood Housing Services of Phoenix to provide homebuyer education classes for participants of our housing programs. Following the attendance of these classes 17 households purchased homes using CAMP program funds.

Emergency Grant Programs (Home Exterior Landscape Program HELP): Efforts in addressing the worst-case needs of the citizens of Tempe include offering the Emergency Grant Program through the CDBG Program, the Home Exterior Landscape Program, H.E.L.P. Program through Code Enforcement (exterior code enforcement related improvements) and the City-assisted relocation program (for families displaced due to owner action) and the Section 8 rental assistance.

Acquisition & Rehabilitation (NewTown): In 1998, CDBG funds assisted NewTown, a Community Development Corporation, in a joint venture with the City, in the planning process for a first-time homebuyer's program. Funding helped establish policy and procedures for the program.

This program will be directed toward the City's Family Self-Sufficiency participants who wish to become homeowners. The program is open to other first time homebuyers but FSS participants have a priority. This program is now being implemented. NewTown acquired 2 properties during the program year with those properties being sold to FSS participant's first time homebuyers. Both properties had the land portion placed in the Community Land Trust of Tempe to assure the property remains affordable.

See Section XIV, "ACQUISITIONS" for further acquisition & rehabilitation project descriptions.

Lead-based Paint: In both the rehabilitation program and rental assistance program, information on the hazards of lead-based paint is supplied to program participants. The City is committed to reducing the hazards throughout our community. Staff will continue to remain current on lead based paint issues and will continue to educate our program participants on the hazards.

Rental Reinvestment Partnership: This program provides five year forgivable loans for moderate rehabilitation of existing rental units. The units will be rent and income restricted for five years. Loans of up to \$14,999 or 50% of the per unit costs (whichever is less) are available. Eligible expenses include window and roof replacement, heating and cooling systems, energy related improvements, abatement of lead-paint, or improvements necessary for persons with disabilities.

Owners must contribute a minimum of 50% of the per unit costs. However, owners of rehabilitated units south of Southern Avenue who agree to participate in the City's Section 8 Housing Assistance Program may receive loans of up to \$14,999 or 75% of the per unit costs (whichever is less). Owners agreeing to participate in the Section 8 Program must contribute a minimum of 25% of the per unit costs. The minimum city investment is \$1,000.

Owners (individuals, non-profit or for profit corporations) of single and multi-family units are eligible to apply. However, no more than four units in a single development by the same owner may be rehabilitated. Properties must meet Housing Quality Standards throughout the affordability period.

The City's investment will be secured with a Deed of Trust and a regulatory agreement. The assistance is in the form of a zero percent, non-amortizing loan, forgiven at the end of a five year term; there is no declining balance or proration during the loan term. No direct payment is required rather it is indirectly repaid by charging rents that are affordable to lower income families. The affordability requirements remain in force regardless of transfer of ownership or early repayment.

This program will be funded from HOME funds received by the City through the Maricopa County Consortium. Should the demand exceed funding, further funding will be re-programmed from the CDBG funds allocated for the Housing Improvement Program.

Due to a change in staff administration, the city implemented this program in early 2003. The numbers for this program are not available as of this report time.

Partnerships/Tempe Community Action Agency (TCAA): The Tempe Community Action Agency continues to provide assistance to citizens needing a variety of services; counseling, emergency assistance (food boxes, bus passes, emergency housing, etc.). The TCAA is also funded through the CDBG program to provide homeless prevention and intervention program.

The TCAA also assists the City with the City-assisted relocation program for those families who may need extra services.

Partnerships/Public Services: As evidenced under the public services section of this report, the City also funds public services to assist individuals and families with a variety of housing needs in worst-case scenarios. Activities such as the Sojourner Center, Advocates for Disabled, Haven House, Save the Family, Mesa CAN, East Valley and Catholic Social Services, Central AZ Shelter Services, Chrysalis, and EVAC, all assist individuals and families.

The City will continue to review affordable housing proposals and work to provide opportunities for both new and existing residents.

Summary of Affordable Housing Section:

The Consolidated Action Plan outlined several program goals in providing affordable housing. The city continues to accomplish the goals outlined in the Consolidated Action Plan. Additional reporting of affordable housing activities has been included in Section X, "Other Actions".

Program Goals Achieved FY 2002/2003

- Section 8 Housing Assistance Program
- Housing Improvement Program

- Community Assisted Mortgage Program
- Homeownership for Team Tempe
- Community Land Trust of Tempe
- Homebuyer Education
- Home Exterior Landscape Program (HELP)
- Acquisition & Rehabilitation
- Lead-based Paint
- Rental Reinvestment
- Partnerships
- Other Barriers to Affordable Housing Recognized

See Appendix 9, for maps identifying the census tracts and number of city residents who received assistance through the following programs: Home Exterior Landscape Program Projects (HELP, HOME Rehabilitation (HIP) Projects, CDBG Emergency Rehab Projects, HOME-Community Assistance Mortgage Program (CAMP). In addition, a map of Low-Moderate Income (LMI) census tracts is provided.

VIII. BARRIERS TO AFFORDABLE HOUSING

Rents: In addition, in Tempe, high rents often are more than 20% above the Section 8 Fair Market Rents. These can be a barrier to extremely low to moderate-income families moving from areas of concentration and locating affordable housing. The Housing Authority will continue to review Fair Market Rents and Payment Standards and will work within HUD Regulations to request adjustments as necessary. Currently, the Housing Authority has increased their payment standards to 10% over 50th percentile Fair Market Rents to assist families in locating suitable housing within Tempe.

The Section 8 program addresses the needs of families paying more than 50% of their monthly income toward rent by requiring that initially, a family can not pay more than 40% of their monthly adjusted income for rent and utilities.

Substandard Housing: Households who may have been living in substandard housing prior to entering the Section 8 Program are ensured of standard living conditions due to the Housing Quality Standards inspection performed by the Housing Services Division prior to approval of a rental unit. Rental units must pass inspection prior to a housing assistance payments contract being executed with a landlord. Thereafter, the unit must pass inspection annually after the initial inspection.

For rental property owners, the City's Rental Reinvestment Partnership program provides rehabilitation of existing rental units in substandard conditions. In addition the City of Tempe enforces the Rental Housing Code on a citywide basis. This code was adopted in 1998 to ensure that rental housing units, both single and multi-family units, remain free of deteriorated and slum-like conditions.

For homeowners, the City's Home Rehabilitation Program and H.E.L.P. programs assist in addressing the needs of homeowners living in substandard conditions.

Involuntary Displacement: For households facing involuntary displacement due to City action or in some cases, due to private action as a result of code violation issues, the City will provide relocation assistance. Relocation assistance is funded with both CDBG and City funds. In addition, with a partnership with Tempe Community Action Agency, relocation assistance is also provided to residents who may face involuntary displacement. All efforts are made to ensure displaced families are relocated to affordable, standard housing.

Disability Needs: Efforts continue to be made to promote the rehabilitation program to persons with disabilities. Homeowners requesting rehabilitation assistance for accessibility modifications are given priority. During the program year, staff met with non-profits that regularly work with persons with disabilities to provide information on the availability of funds for modifications. The City has established a partnership with Arizona Bridge to Independent Living, ABIL, a local non-profit, to assist in home modification for accessibility purposes. The city expended \$26,293 for rehabilitation assistance for homeowners requesting accessibility modifications during this program year.

IX. ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING

On March 1, 2003, the City's Analysis of Impediments to Fair Housing Choice was revised. This analysis was prepared under a consultant contract for the city and identified specific and measurable problem areas for improving opportunities for fair housing choice throughout the city. Some areas covered for review included: accessibility, zoning, development and sale and rental of real estate related transactions.

Conclusions and Recommended actions in the Analysis were as follows:

1. **Impediment:** Although the research for this AI did not identify obvious or widespread housing discrimination and did find that the City takes fair housing very seriously, there did appear to some possibility that households in protected classes, particularly minorities and households with children may be experiencing different terms and conditions related to rental application fees and deposits.

Recommendation #1: By September of 2003, hold one or more meetings with staff of the Arizona Apartment Managers Association to review fair housing training programs with an emphasis on familial status and consistent application of fees and deposits.

Recommendation #2: By December of 2003, modify the City's fair housing training and Section 8 briefings to include specific emphasis on rental application fees and deposits.

Recommendation #3: By July of 2004, establish a feedback loop that allows Section 8 tenants to communicate the cost of application fees and deposits to the Section 8 program staff.

Recommendation #4: By June of 2005, review feedback from Section 8 clients regarding fees and deposits. If the information received indicates that fees and deposits is a source of different terms and conditions, modify the Section 8 Program rent reasonableness data base to include information of application fees and deposits to document consistent application of fees and costs among constitutionally covered people.

Action taken or to be taken to remove the impediment: The City continues to provide intake, investigation and conciliation of housing discrimination complaints. This has been accomplished by assigning the Housing Services Supervisor to serve as the City's Fair Housing Coordinator. This staff member is bilingual.

In this assignment, the Fair Housing Coordinator handles all fair housing intake, outreach and education. Intake includes answering inquiries and complaints; investigating complaints and allegations; making referrals to the Attorney General's office and mediating complaints.

Outreach and education includes making presentations to groups requesting information, Section 8 Voucher Briefings, providing information to local schools, providing information to landlords and tenants, promoting fair housing month through the City Council (Mayor's proclamation), articles in water bill newsletters, articles in City staff newsletters, community and neighborhood festivals, etc.

Fair housing material that is routinely distributed to the public, landlords and Section 8 applicants and participants includes pens, pencils, posters, stress houses, brochures, and bags. All Section 8 briefings include fair housing materials and information. Staff is available at the briefings to answer any questions concerning fair housing.

Resources are allocated to provide training to staff on fair housing issues. Through their training and efforts, incidences of discrimination are properly identified and handled and, if necessary, referred to the Arizona Attorney General's office when enforcement is necessary to reach resolutions.

In this fiscal year, approximately \$6,237 was expended on fair housing activities. This included training of staff, fair housing stress houses, pens, pencils, bags and posters. The city partnered with Mesa to promote fair housing services by displaying a Fair Housing notice in 143 inter-city buses that serve the two cities.

In addition, other impediments addressed in the Analysis were:

2. Impediment: A review of the website for the City of Tempe Human Relations Commission found that fair housing complaints were being referred to the Attorney General's Office rather than to the City's own Fair Housing Coordinator.

Recommendation: By September 2003, work with the City of Tempe Human Relations Commission to modify the housing discrimination notice on the Commission's website to include contact information for the City's Fair Housing Coordinator.

Action taken or to be taken to remove the impediment: The city currently has a web site that includes information on Fair Housing, which includes contact information for the City's Fair Housing Coordinator and other resource links.

3. Impediment: Based on surveys and interviews performed in conjunction with the preparation of this AI, there is a demand for additional accessible rental units that is not being met by new development. One possible way to increase the supply of accessible units would be for the City to encourage additional units as it reviews applications for public incentives to rental rehabilitation or development.

Recommendation #1: By December of 2003, modify applications for public incentives for preservation and development of rental housing to document whether there will be an increase in the number of physically accessible units on the property as a result of the proposed project.

Recommendation #2: By April of 2004, establish a preference for applications for incentives for rental development and rehabilitation whereby, all other things being equal among multiple applications, proposals with more than 10% of the resulting units being physically accessible would be given a priority. Include reporting increases in the number of new assisted physically accessible rental units in the annual CAPER.

Recommendation #3: By June of 2004, amend all HOME and CDBG and publicly assisted contracts for rental rehabilitation and development to include compliance with the Fair Housing Act of 1988 including specific reference to the accessibility requirements for persons with disabilities.

Recommendation #4: By January 2005, in preparation for the 2006 City budget, include a review of the relative need for and cost of amending the City Building Code and undertaking enforcement of the accessibility requirements of the Fair Housing Act as part of the City's plan review and building inspection process.

Action taken or to be taken to remove the impediment: The city has established a partnership with Arizona Bridge for Independent Living, ABIL, a local non-profit, to assist in home modifications for accessibility purposes. In addition, the city is networking with Accessible Housing Specialist; a local non-profit interested in the development of new construction for accessible housing. City staff also made site visits to rental properties and mobile home park association meetings to distribute fair housing material and made fair housing presentations to various groups throughout the City.

In addition, other actions addressed were:

Increasing the awareness of citizens: This has been accomplished by distributing fair housing information in the City's water bills, through the City's employee e-mail system, employee newsletters and in City offices where the public may receive information. Materials were also distributed at City-sponsored activities such as the Tempe Tareada, Tempe Arts Festival, the annual Hispanic Festival and the Tempe Community Resources Information Fair. Also, fair housing materials were distributed at the annual statewide Community Development Block Grant Celebration in Chandler, the East Valley Alliance Family Self-Sufficiency Spring Conference in Tempe, and homebuyer education classes conducted in Tempe.

Fair Housing contact numbers were included in the City's Community Directory that is distributed to the public. Fair housing brochures have also been included in packets available to the public and to neighborhood association materials.

In addition, in the 2002/03 fiscal year, the City received a distinguished HUD award for its efforts and partnership with the City of Mesa to produce Fair Housing bulletins to be placed in City buses operating between the cities of Tempe and Mesa, (Appendix 5).

In 2002/03, the Fair Housing Coordinator responded to citizens requesting Fair Housing assistance and three complaints were directed to the Fair Housing Coordinator. Upon review of these complaints, no investigation was found to be necessary as the complaints did not meet the criteria of being fair housing related.

3. *Participate in a network with other fair housing groups or agencies:* Staff assigned to Fair Housing duties is accomplishing this. They routinely participate in seminars and training conducted by other fair housing groups and agencies.
4. *Involving school-age children in fair housing issues:* This has been accomplished in the 2002/03 year by distributing pencils, pens, stress houses and balloons to children who visit the Housing Services Division.
5. *Develop methodologies for marketing Section 8:* This has been accomplished by staff visits to property managers and distributing informational bulletins and posters advising property managers of positive changes in the Section 8 program.

News articles on the accomplishments of Family Self-Sufficiency participants are also used to market the rental assistance program and eliminate the stereotyping of program beneficiaries.

The city has a considerable public commitment to addressing diversity issues within its control and that its Fair Housing education is effective for those who use it. Through these continued efforts, the City's long-range goals of reducing the incidence of discrimination experienced by our citizens will be met. In addition, the city developed a Diversity Action plan for Tempe City government that was adopted by the city council and will continue its efforts in developing strategies that assure the affordable housing inventory is preserved.

X. CONTINUUM OF CARE ON HOMELESSNESS

The City of Tempe continues to be committed to addressing the needs of the homeless and related supportive services, including persons with HIV/AIDS. During the past program year, the City received the Policy Maker of the Year award from the Arizona Coalition to End Homelessness for hiring a Homeless Coordinator. In September of 2000, the Homeless Task Force published a report on homelessness in Tempe including recommendations for addressing the problem. The Homeless Coordinator was hired to implement the recommendations in this comprehensive report. The Homeless Coordinator and representatives from City-funded agencies actively participated in the Maricopa County Continuum of Care on Homelessness sub-committee activities. The Homeless Coordinator facilitated the first Street Count of the Homeless in February 2003 resulting in a count of 169 people living on the streets including 121 single men, 28 single women, 5 male youth, 9 female youth and 2 families. The Homeless Coordinator is also an active member of the Board of Directors of the Arizona Coalition to End Homelessness and the Advisory Council for the Tumbleweed Day Resource Center for homeless youth. The Day Resource Center, a partnership between the City, Tumbleweed and the First Congregational Church of Tempe, is the first of its kind in the City. Additional activities by the Homeless Coordinator include enhancing prevention activities, assisting service providers with effective resource coordination, community education, and bringing key stakeholders (local businesses, schools, etc.) together to create a plan to end homelessness in Tempe.

The City of Tempe continues to support agencies providing shelter and transitional living services to the homeless such as the East Valley Men's Center, an emergency shelter for homeless men in the East Valley. Other funded agencies include La Mesita, Catholic Social Services, East Valley Addiction Center, Chrysalis Shelter, Sojourner Center, Chrysalis, Central Arizona Shelter Services, Homeward Bound and Advocates for the Disabled. These agencies provide critical services to homeless individuals and families including those living with HIV/AIDS, disabilities, and survivors of domestic violence. The Homeless Coordinator actively

collaborated with a group of service providers from across Maricopa County to submit a proposal for funding to provide a “Housing First” model to the chronically homeless with wrap around supportive services.

In addition, as indicated in this report, funding was provided to agencies addressing the needs of homeless persons and the special needs of non-homeless persons who required supportive housing, including persons with HIV/AIDS. One public service agency (Advocates for the Disabled) received a total \$10,589 in CDBG funds and assisted 135 persons, including those with HIV/AIDS.

XI. OTHER ACTIONS

The City will continue to review its policies and procedures to ensure that efforts are made to remove obstacles to affordable housing for our citizens.

Under-Served Needs: Very low/low-income persons and families, homeless persons and special needs populations are generally under-served. Obstacles to serving this population include limited resources and/or programs, and outreach.

The City continues to review and analyze how it can better meet the needs of the under-served through housing programs, supportive services and the Homeless Coordinator. As indicated in this report, the City of Tempe continues to serve the under-served through the Section 8 Rental Assistance Program, and supportive services through CDBG and HOME funds.

Affordable Housing: One of the main obstacles to affordable housing is land values. In Tempe, land values are relatively high and continue to move upward because the City is attractively built, land-locked and centrally located with regional facilities.

To promote owner-occupied housing in a market that is pricing out single family dwelling development, the City modified the zoning ordinance by establishing zoning categories that encourage high density. This allows builders to erect more single family dwellings at a lower cost to buyers, thus making homeownership a reality to lower income citizens of Tempe.

The City has developed design standards for residential areas that are not overly restrictive and costly. The City has taken steps to assure that the requirements for the construction of housing does not restrict the ability of any person, especially low to moderate income families to purchase or rent.

In order to provide affordable housing for low-income residents, the city will continue to provide the following programs/services that will assist in eliminating barriers:

The City has also committed funding in support of affordable housing activities. The City has committed staff to research and develop affordable housing programs. Staff continues to work establishing partnerships with non-profit agencies to work towards developing affordable housing activities.

Affordable Housing Planning Document: The City developed and adopted a planning document designed to increase and preserve affordable housing in Tempe. The document outlines Tempe's current housing conditions and needs, defines the differences between affordable housing and neighborhood revitalization, outlines the goals, populations and activities within the housing continuum, provides housing policies with recommended strategies, and identifies partners in the preservation or creation of affordable housing.

Housing Improvement Program: CDBG assisted 13 homeowners in low/mod income range and 9 in the very low-income range. HOME funds assisted 22 in the low/mod and 2 in very low, and City of Tempe CIP funds assisted 3 homeowners above income. The cost of rehabilitations averaged \$10,468, so it is clear that most, if not all, of the families assisted with CDBG, HOME, and City of Tempe funds would not have been able to afford to rehabilitate their homes on their own.

By directing federal funds to homeowner rehabilitations, the living environment of families participating in the City's Rehabilitation Program was improved. Their homes were brought up to code and are now decent and safe dwellings in which the family lives. In addition, the rehabilitation has enhanced neighborhoods and improved the housing stock of the City.

In order to address the affordable housing needs for low-income residents, the City will continue to administer the Housing Rehabilitation Program, funded with CDBG, HOME and City funds. In addition, The City will continue to provide matching funds for the HOME Program.

Rental Reinvestment Partnership: A total of 21 applications for rental reinvestment were received during this fiscal year. Although there were no expenditures in 2002/2003 it is anticipated in the next fiscal year those applications will be completed.

Section 8: Also, the City will continue to administer the Section 8 Housing Assistance (tenant-based) Program. Applicants on the Section 8 Waiting List will be provided information on other subsidized housing programs and agencies that may be able to assist the applicant while they are waiting on the list for Section 8 assistance.

CAMP: The Community Assistance Mortgage Program, CAMP, provides downpayment assistance to low income individuals/families, qualifying as first-time homebuyers, to enable them to purchase a home in the City of Tempe.

Family Self-Sufficiency: The City will continue to utilize the Family Self-Sufficiency, (FSS) Program to assist Section 8 participants in over-coming the economic and social barriers to becoming self-sufficient. To meet this goal, the FSS Program provides a monthly newsletter to participants with FSS information, scheduled meetings and a variety of community education and other programs that will support the FSS participants and/or their families. In addition, as part of the East Valley Alliance, the City participates with the cities of Chandler, Mesa and Scottsdale in partnering resources to assist FSS participants.

Housing Needs for Persons with Disabilities: In an effort to assist in the creation of accessible housing for persons with disabilities, the city has established a partnership with Arizona Bridge for Independent Living, ABIL. This is a local non-profit that assists in home modifications for accessibility purposes. The city is also networking with Accessible Housing Specialist; a local non-profit interested in the development of new construction for accessible housing. City staff have made site visits to rental properties and mobile home park association meetings to distribute fair housing material. They have also made fair housing presentations to various groups throughout the City.

The City has also partnered with Tempe Works (Tempe Community Council, Tempe Community Action Agency and Tempe Chamber of Commerce) to find training and employment in Tempe for FSS participants. The City of Tempe also provides free bus passes to FSS participants.

The City continues to participate along with the cities of Chandler, Mesa and Scottsdale, in the FSS Conference held in partnership with Mesa Community College, Salt River Project, Arizona State University, Maximum,

Jewelers National Bank, Corestaff Services, City of Tempe Youth Employment, Tempe Community Council and Consumer Credit Counseling.

Classes on such topics as budgeting, understanding credit, stress, empowerment, job applications and interviews and careers, just to name a few, are offered to FSS participants throughout the year. The funding for the City's FSS Specialist is from CDBG.

Due to the City's commitment towards self-sufficiency, in 2002 the City received the Family Self-Sufficiency East Valley Alliance "Most Valuable Partner Award." The award was presented to the cities of Chandler, Mesa, Scottsdale and Tempe, which make up the East Valley Alliance. It recognized the work of FSS Program Coordinators in supporting HUD's initiative to promote jobs and economic opportunity for Section 8 and/or Public Housing recipients.

CITY OF TEMPE FSS DEMOGRAPHIC DATA
East Valley Family Self Sufficiency Program Graduate Info 1996-2002

| | Total |
|---|-------|
| Total Graduates | 128 |
| Grads that obtained 4 yr degrees | 20 |
| Grads that obtained 2 yr degrees | 20 |
| Employed in jobs earning more than \$9/hr | 107 |
| Self-employed grads | 10 |
| # off of housing programs | 97 |
| Homeowners | 47 |

Lead-based Paint: In both the rehabilitation program and rental assistance program, information on the hazards of lead-based paint is supplied to program participants. The City is committed to reducing the hazards throughout our community. Staff will continue to remain current on lead based paint issues and will continue to educate our program participants on the hazards.

In the Section 8 Program, lead-paint testing is conducted on units built prior to 1978. In the Housing Improvement Program and H.E.L.P Programs, lead paint testing and assessment is conducted as part of the rehabilitation activities. In the Program Year FY2002/2003 the City expended \$31,288 for lead-paint testing and/or assessments in 38 households.

HOME Consortium: In addition, the City is a participant in the Maricopa County HOME Consortium. The City receives HOME funding through Maricopa County. As a member, the City participates in administration/policy decision-making, funding selection for CHDOs, monitoring activities and other activities necessary. The City also makes a 25% matching fund commitment to HOME funded activities (homeowner rehabilitation).

As indicated previously, the City will continue actively marketing the Housing Improvement Program through various mediums. Experience has indicated that one of the obstacles to serving the under-served is lack of information.

Public Services: Through our marketing efforts, and through neighborhood associations, social service agencies and other City departments, those in need of our services will be contacted. These methods will also continue to be used for other programs servicing the under-served.

The City will continue its partnership with the Tempe Community Council to maintain its relationship with local service providers. By funding agencies who provide case management and other services to low and moderate income individuals and families, the health and welfare of the participants improves which in turn, improves the health and welfare of the community.

Public service agencies receiving CDBG funding in Fiscal Year 2002/2003 met with City staff throughout the year to review their activities and to ensure their goals and objectives met the Program's national objectives.

Slum & Blight: The City of Tempe is committed to the removal of slum and blight. By completing projects such as the Apache Boulevard Property Acquisition activity in a redevelopment project area, a national objective is not only met, but the community is enhanced.

Community Land Trust of Tempe: The Community Land Trust of Tempe, a private, non-profit corporation created to acquire and hold land for the benefit of the community to provide secure, affordable access to land and housing, has incorporated and will be activity pursuing partnerships. Current partners with the Community Land Trust include the City of Tempe, the Institute for Community Economics, NewTown, FannieMae, Neighborhood Housing Services of Phoenix, Tempe Community Council, Washington Mutual, Inc., and Arizona Title Agency. During FY 2002/2003 the land trust acquired two properties in partnership with NewTown.

Families in Poverty: The City continues its efforts to reduce the number of persons in poverty by committing funds to those agencies providing supportive services for those at risk. In Fiscal Year 2002/2003, the City committed \$283,950 in CDBG funds to these programs. As evidenced in this report, approximately 1016 households and 1482 persons were assisted through the CDBG Program; through the funding of public services. Included in this is the City's very successful Family Self-Sufficiency Program, administered through the Section 8 Rental Assistance Program that is actively involved in assisting residents out of the cycle of poverty and into a life of self-sufficiency

Monitoring: Monitoring of public service agencies was conducted on all public service agencies and NewTown CDC by City of Tempe Housing Services staff. If possible, monitoring was scheduled concurrently with monitoring visits of the same agency by other cities. Staff also monitors agencies as part of the HOME Consortium. Monitoring reports for this fiscal year revealed 4 concerns, 26 recommendations, 4 findings, and 1 request for clarification. The findings were subsequently resolved by a plan of correction.

Other programs receiving CDBG funding (non-public service programs) are monitored throughout the program year to assure that projects are moving forward within program guidelines

On-Going Review: The City will continually review its strategies to determine if progress is being made in addressing the needs and objectives of its citizens through the use of federal funds. If changes are necessary, the City will take action to make those changes.

XII. GAPS IN INSTITUTIONAL STRUCTURE

To assist in overcoming any gaps in the institutional structure, the City of Tempe has taken the following actions in the 2002/2003 program year:

- ◆ Continues to serve as a member of the Maricopa County HOME Consortium. In this capacity, the City works with other Consortium members to exchange information, enhance performance of grant recipients,

improve performances, examine issues, develop policy and to work cooperatively to pursue joint funding activities.

- ◆ Provide funding to supportive housing and affordable housing activities. As evidenced in this report, the City has committed funds to public services providing these services. The City continues to exchange information with supportive services in efforts to promote these activities and perhaps develop more partnerships.
- ◆ The City continues to actively participate in the Continuum of Care activities. During the past program year, the City was a very active participant on a variety of committees and sub-committees. City staff served actively on committees to develop procedures provide information and strengthen the Continuum of Care process within Maricopa County.
- ◆ Continues to support and provide funding to public service activities whose mission is to break the cycle of poverty and promote self-sufficiency.

XIII. LEVERAGING RESOURCES

As a requirement for the HOME Program, the City contributed a 25% match in the amount of \$124,620 to the Program. CDBG funds are used with city funds for homeowner rehabilitation programs.

City funds, as well as CDBG funds, are used in land acquisitions for the removal of slum and blight in the Apache Boulevard Redevelopment Area. CDBG funds and Section 8 funds both are used in the City's Family Self-Sufficiency Program.

The City provided funds for the Community Assistance Mortgage Program, CAMP, our first-time homebuyer program, for the HOTT program, our employee downpayment assistance program and for housing rehabilitation for homeowners falling into the 81% to 120% income category. In the program year, 4 households received City funding through the CAMP program. Two households in the 81%-120% income category received rehabilitation assistance.

In addition to CDBG funds, the City provides funding to public services from the General Revenue account and from voluntary donations through the water bills, the H2O Program. The total amount of funding provided from general revenue to public services in FY2002/2003 was \$812,229. The total amount of funding provided from the H2O Program to public services was \$97,500. Appendix 6 provides the list of funding and requests for public services funded through the City.

The City will continue to pursue appropriate resources to leverage for the accomplishment of its goals and objectives.

XIV. REQUESTS

During the program year, the City received a request from the Mesa Community Action Network (Mesa CAN) requesting verification that the City of Tempe has been supportive of and in collaboration with Mesa CAN since 1998. The City verified this partnership and support granting \$20,000 in CDBG funds for FY 2002/2003. This money was used for general operating assistance for the East Valley Men's Center. In addition, the City has granted an additional \$20,000 for FY 2003/2004, available as of July 1, 2003.

XV. ACQUISITIONS

The City acquired 4 properties during the program year. As a result of this acquisition, four tenants were relocated.

The City has taken all reasonable steps to minimize the displacement of families as a result of the above acquisitions. When relocation of tenants is required, the City follows the procedures and regulations set forth in the Uniform Relocation Act. Relocation efforts in the City are coordinated with Tempe Community Action Agency to ensure that families relocated receive additional counseling and/or benefits necessary.

Appropriate notices and advisory services were offered, replacement housing, including the offer of Section 8 Housing Assistance, was offered. Moving and related expenses were also available. The tenant relocated successfully located replacement housing.

The City will follow one-for-one replacement requirements when the requirements of Section 104(d) are triggered:

- ◆ The unit meets the definition of low/moderate dwelling unit; **and**
- ◆ It is occupied or is a vacant occupiable dwelling unit; **and**
- ◆ It is to be demolished or converted to a unit with market rents above the Fair Market Rent or to a use that is no longer for permanent housing.

If the unit does not meet the above criteria, one-for-one replacement is not required.

To meet the requirements under Section 104(d) for one-for-one replacement, the City will add replacement units into our affordable housing stock within the next three years. Tempe Groves, a tax credit project, was completed in the last fiscal year, which added 408 units to the affordable housing stock in Tempe.

The City continues to participate with the Community Land Trust of Tempe, CLTT, a non-profit corporation. CLTT's mission is to develop and sustain community investments through public stewardship of land in Tempe. Through their efforts, it is anticipated that the affordable housing stock continues to increase. The CLTT has become incorporated and will begin to begin working with other non-profits during the next program year.

XVI. ECONOMIC DEVELOPMENT

The City did not conduct any economic development activities with CDBG funds during the program year. The economic development investment of CDBG funds is no longer needed in the downtown economic development/redevelopment area. The City needs only to utilize its powers of eminent domain for land assemblage to encourage economic development in this area.

The City is utilizing a combination of CDBG and City funding to acquire substandard land use sites within the Apache Boulevard Redevelopment area for packaging of future mixed-use (housing and commercial) development. The City will consider the use of CDBG funds to assist with infrastructure development for assembling mixed-use sites within its Apache Boulevard Redevelopment area.

A Neighborhood Revitalization Strategy Area was considered for Apache Boulevard but it was not developed. Instead, the City developed and approved a State authorized Redevelopment Area which unlike the

Neighborhood Revitalization Strategy Area, allows the City to use imminent domain in site packaging as well as utilizing CDBG and other forms of federal funding.

The City has considered the use of Section 108 Loan Financing and has concluded in accelerating development of specific individual projects, the commitment of CDBG funds for repayment of the 108 Loan reduces overall CDBG Program flexibility. Specific commitment of multi-year funding for repayment of a Section 108 Loan for one area of the community reduces future year availability of funding for projects in other areas. The City will consider the use of the Section 108 Loan Guarantee Program when the immediate project impact of utilizing the guarantee outweighs the reduction in program flexibility.

The City of Tempe does have an Economic Development Department.

XVII. PROGRAM INCOME

Program income received during the fiscal year was \$310,949, which was used for homeowner rehabilitation activities.

CDBG program income totaled \$111,371. HOME program income totaled \$199,578. In addition, \$718,993 was received in a revolving loan fund for property acquisition. Interest in the amount of \$704.34 was returned to the U.S. Treasury during this fiscal year in accordance with §570.500a(5)(b).

XVIII. RISK ANALYSIS

No projects are pending that are at risk of being incomplete or delayed.

XIX. CHANGES

The City did not make any changes in program objectives during this fiscal year. As a result of our experiences, we would not anticipate changing our program objectives during the next fiscal year either.

The activities of the Program are consistent with the Consolidated Plan. As demonstrated in this document, CDBG funds were used for the high priority needs and objectives as stated in the Five-Year Plan.

XX. SLOW MOVING PROJECTS

There are no slow moving projects currently in progress.

XXI. CIVIL RIGHTS

According to the 2000 census, 22.5% of the population of Tempe is minority. CDBG expenditures assisted 38.4% of minorities in the City.

The chart in Appendix 7 indicates the population by race and ethnicity from the 2000 census. One census tract, 3191.01 indicates a higher concentration of minority population residing within it. This census tract is identified as having a higher concentration of students from Arizona State University. It is within close proximity of the University and the downtown. This census tract also contains some of the oldest multi-family housing in the City, which makes them more affordable. Approximately 6% of Section 8 Rental Assistance families reside in this census tract.

As indicated by the census data, no other census tracts are considered as having a high concentration of minorities. Program investments are spread throughout the community.

XXII. PUBLIC COMMENT

Citizen Participation and Comments (Place in Section XXI Public Comment).

The city of Tempe involved the general public in the process of CDBG funding allocations for FY 2002/2003. Additional public hearings were held by Tempe Community Council (TCC) for the public services allocation of CDBG funds. In addition the City also:

1. Met with the Housing and Human Services Advisory Board;
2. Met with or provided information requested from other City departments, nonprofit agencies, private developers, and the general public.
3. TCC a public information meeting at the beginning of the application process;

Notification of the availability of the City's annual performance reports was published in the Tribune (East Valley & Scottsdale) on September 11, 2003 with a fifteen-day public comment period from September 11, 2003 through September 27, 2003. A notice was posted in officially designated public places and placed on the City's internet web site.

XXIII. ASSESSMENT

The use of the Community Development Block Grant funds met our objectives as described in our HUD approved Action Plan.

As demonstrated previously in this report, funds were used exclusively to benefit low and moderate-income persons and aided in the prevention/removal of slum and blight conditions.

The City took no actions that would hinder Consolidated Plan (Action Plan) implementation, by action or willful inaction.

The City received a positive assessment of its housing programs from HUD's Community Planning and Development Division. The City was commended for its timely use of federal funding in meeting the needs of low-and moderate-income people within the community.

XXIV. SELF-EVALUATION

As evidenced in this report, the City continues to be successful in addressing the needs of its citizens and in meeting its stated objectives.

Through meetings with the general public and other social service agencies, the City's CDBG Program has been met with continual support. In addition, as evidenced in this report, the City has coordinated efforts with other agencies to address the needs of our community.

The City believes that the activities and strategies implemented are having an impact on the identified needs in the Action Plan. The indicators that lead us to this conclusion are as follows:

Visual: Houses rehabilitated through the use of federal funds not only improve the overall livability of the low/mod income family receiving the assistance by providing decent, safe and sanitary housing, but the neighborhoods are enhanced with the rehabilitated units in their midst.

With the Apache Boulevard Property Acquisition, the improvements become clearly evident in the revitalization area. The removal of slum and blight conditions provides a much needed enhancement to the community. The area becomes more visually appealing to potential customers and to the neighborhood and City as a whole.

Quality: The rehabilitation of homes can also contribute to quality of life issues. A family who now has a decent, safe and sanitary living environment cannot help but have an improved quality of life; the family has adequate plumbing facilities, heat, cooling, etc.

The businesses in the Apache Boulevard area find their businesses enhanced with the removal of the slum and blight conditions.

Low-Mod Benefit - People/Households Assisted: As indicated on the Assessment chart on page 3, a total of 4,389 people and 963 households were served during the program year with CDBG, HOME or city funds. With CDBG funds, the total number served was 4,389 people and 53 households. All people and households served with CDBG funds met the low-moderate income eligibility criteria. Without the use of federal funds, these low-moderate income persons and households may not have received the services they desperately needed.

Barriers that may have a negative impact on fulfilling our strategies may include the lack of awareness or availability of programs. There may also be a language barrier with portions of our clientele.

Our approach however is to avoid these barriers with an aggressive approach to marketing our federal assistance programs. In addition, staff is sensitive to the language barriers. Bilingual staff is available to assist when it is determined necessary.

In addition to language barriers, staff is aware of barriers caused by lack of accessibility for disabled program participants. Staff are sensitive to the barriers faced by special needs populations and are committed to ensuring problems are solved and barriers are eliminated.

As other possible barriers arise, the City is quick to find ways to avoid or solve them so that these barriers do not have a negative impact on the implementation of our strategies.

Overall, our grant programs are fulfilling their potential. Detailed performances are described in this report but are highlighted below:

- The Housing Improvement Program continues assisting families using CDBG, HOME and City funds. In addition, the City has provided funding to assist households in the 81%-120% income levels. This program has increased the number of permanent housing units in standard condition.
- Agencies that provide services to homeless are being funded.
- Agencies that address domestic violence issues are funded.
- Expenditures are timely to contractors and public service agencies.
- The monitoring of our public service agencies is on schedule

- Requests for draws are handled in a timely manner. With the addition of IDIS, draws from the system are timelier thereby satisfying the City's own accounting processes.
- The City's major goals of providing decent, safe and sanitary housing, providing suitable living environments for low and moderate income persons and the removal of slum and blight conditions are on target and meet the national objectives.
- The City has pursued, and will continue to pursue, available resources to compliment the CDBG, HOME and Section 8 Program funds. Funds received are consistent with the Consolidated Plan.

At this time, we do not see any need for changes or adjustments to our strategies and activities. The community and leadership see the current strategies as meeting the needs of our citizens. If, at a later time, we see the need for adjustments or changes, we will reassess our strategies and make any necessary changes/adjustments at that time.

As stated previously, we feel we have been successful in achieving our goals through the use of federal funds. By using these funds to their fullest potential, our community continues to thrive and be one of the best there is.

Limited Clientele: The City did not undertake any activities during the program year that did not serve a limited clientele. All activities undertaken fell within the presumed benefit category.

Consistency: The City certifies that the use of CDBG funds was consistent with other HUD programs in effect in the City of Tempe.

Plan Implementation: The City certifies that the grantee did not hinder plan implementation by action or willful inaction.

XXX. DOCUMENTS AVAILABLE TO PUBLIC

In addition to this Consolidated Annual Performance and Evaluation Report, CAPERS, the following reports from the Integrated Disbursement and Information System, IDIS, are available to the public:

- ◆ CDBG Financial Summary Report
- ◆ Activity Summary Reports

Other documents available to the public include the Consolidated Plan and Action Plan.